3/6/85 U2030-1A

HARVARD

# RRC NEWSLETTER

RUSSIAN RESEARCH CENTER

VOLUME IX, No. 9 May 5, 1985

## INDUSTRIAL PRODUCTION FIGURES

| Product | 1st Quarter 1985 | % 1st quarter 1985 over 1st quarter 1984 |
|---|---|---|
| Electricity (bil.kw.hrs) | 421 | 103 |
| Petroleum (inc. gas condensate) (mil.tons) | 147 | 96 |
| Natural Gas (bil.cu.mtrs) | 160 | 109 |
| Coal(mil.tons) | 185 | 99.5 |
| Steel (mil.tons) | 36.4 | 93 |
| Fertilizer (mil.tons) | 7.7 | 99.2 |
| Metal-cutting tools (mil. rubles) | 621 | 105 |
| Robots (1000s) | 3.0 | 94 |
| Computer Technology (bil. rubles) | 0.9 | 111 |
| Tractors (mils.) | 13.2 | 104 |
| Paper (mil. tons) | 1.4 | 97 |
| Cement (mil. tons) | 29.9 | 94 |
| Meat(mil. tons) | 2.6 | 106 |
| Margerine (1000 tons) | 387 | 95 |
| Watches(mils.) | 16.3 | 96 |
| Radios(mils.) | 2.1 | 91 |
| Television sets (mils.) | 2.2 | 100.5 |
| Automobiles (1000s) | 331 | 99 |

## PRODUCTION IMPROVES IN MARCH 1985

The production results for March show some improvement over the very discouraging results obtained for February 1985. There are still many difficulties but on the whole production prospects are brighter than last month. In particular, for the month of March 1985 compared to March 1984, coal production increased by 2%. That still leaves production for the first quarter somewhat below what it was in the quarter of the preceeding year. Similarly, electricity production was up 4% compared to the virtually constant results in February. For the quarter as a whole electricity production is up 7%.

Nonetheless there are still industries where production in March 1985 was lower than it was in March 1984. For example, petroleum production in March 1985 was 96% of what it had been in the preceeding March. That is an improvement over the February results which were only 94% of production in February 1984. Similarly, steel production in March 1985 was only 95% of what it had been for that month a year earlier. Production is still down for the whole quarter and is only 93% of what it was the quarter the year earlier, but it does show a slight improvement over production in the February months.

Perhaps the most surprising result however is the report that robot production (as defined by the Soviets) fell by 6%. Since production was up 25% for all of 1984, and up 149% in January 1985, this is either a typographical mistake or something drastic has happened.

Again, it should be remembered that there was one extra day because of leap year in 1984. The Soviets also report that there were two more work days during the first quarter of 1984. Nonetheless, Gorbachev still has the task of reviving production in many industries. In some of his statements he has complained about results for the first quarter and now we know why.

## SOVIETS SHOW A POSITIVE BALANCE OF TRADE

For the first time in at least 8 years, the Soviets show a positive balance of trade. As the accompanying table indicates, the Soviets had a small surplus in their trade of 348 million rubles for 1984. This affects primarily the hard currency countries and does not include gold and the export of weapons systems. This surplus was accomplished primarily by increasing exports to Western Europe and Japan by almost 2 billion rubles. At the same time imports to the Soviet Union from Western Europe and Japan were reduced by about 70 million rubles. The trade surplus was not higher because the Soviets had to increase imports from the United States, Canada and Australia. Most of that increase was the result of increased grain purchases.

What is significant about the trade figures is that whereas imports from the U.S. rose by almost 1.3 billion rubles, imports from West Germany and France were about the same, while imports from Japan and Italy actually declined.

The increase in exports was primarily natural gas and petroleum, although beginning in the last quarter of 1984, petroleum exports apparently were curbed as the Soviets sought to do what they could to increase prices and utilize the petroleum for their own needs during a very cold winter siege.

==========

THE RUSSIAN RESEARCH CENTER takes no official stand on any economic or political trend. The views and analyses expressed in this Newsletter are those of the authors directly associated with the article, or unless otherwise stated, with those of the editors, Marshall I. Goldman and Jean Monahan.

RRC @ 1985

==========

## SOVIET PUBLIC OPINION CONFERENCE: A RECAP

The April 1st conference on the Role of Soviet Public Opinion provided an interesting discussion of the social dimensions of Soviet culture, and qualifications of the title 'public opinion' as it pertains to the closed society. The morning panel of Edward Beliaev (Sociolgist), Richard Dobson (USIA) and Samuel Rachlin (Nieman/Lounsbery) considered ways to ascertain what Soviet citizens really think, through both controlled questionnaires and through personal exploration and intuition.

During the afternoon session, Mervyn Matthews (Mellon Fellow), Walter Connor (RRC) and James Millar (U of IL) presented reports on individual and group projects relating to perceptions of social strata, the working class, and perceptions of the Soviet economy as seen through the eyes of emigres, respectively.

Finally, the late afternoon session consisting of Mark Beissinger (RRC), Eugene Parta (RFE/RL) and Liah Greenfeld (Social Studies, Harvard) focused on the question "does public opinion really matter?", considering the question from both practical and academic standpoints.

CURRENCY FIGURES

| Rubles Purchased Per 100 | April 1984 | March 1985 | April 1985 |
|---|---|---|---|
| Austrian shilling | 4.19 | 3.83 | 3.98 |
| U.K. pound | 111.60 | 98.43 | 107.53 |
| W. German mark | 29.39 | 26.92 | 28.00 |
| U.S. dollar | 79.60 | 90.80 | 87.75 |
| French franc | 9.58 | 8.81 | 9.18 |
| Japanese yen | .351 | .348 | .341 |
| Italian lira | .0475 | .0429 | .0438 |
| Swiss franc | 35.58 | 31.65 | 33.33 |

Some reversals of trends occurred in the currency exchange rates, according to the report released by Gosplan for May 1985. The Austrian shilling, U.K. pound, West German mark, French franc, Italian lira and Swiss franc all increased since the last month. Nonetheless, they are all lower than they were last year at this time. For the first time in several months the U.S. dollar and Japanese yen decreased slightly over the last month.

## BALANCE OF TRADE 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984

(Millions of Rubles)

| | EXPORTS FROM THE USSR | | | | | | | | IMPORTS TO THE USSR | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
| Austria | 352 | 371 | 442 | 580 | 854 | 675 | 566 | 761 | 263 | 272 | 368 | 396 | 507 | 535 | 787 | 891 |
| Belgium | 353 | 408 | 533 | 842 | 747 | 1032 | 991 | 1198 | 220 | 257 | 286 | 383 | 450 | 573 | 611 | 501 |
| Gr.Britain | 958 | 836 | 1094 | 859 | 645 | 813 | 1185 | 1393 | 375 | 662 | 811 | 953 | 858 | 752 | 632 | 819 |
| Greece | 237 | 189 | 180 | 409 | 538 | 533 | 533 | 582 | 78 | 70 | 65 | 92 | 100 | 122 | 155 | 102 |
| Denmark | 200 | 193 | 301 | 261 | 252 | 300 | 290 | 334 | 50 | 46 | 72 | 80 | 208 | 64 | 65 | 115 |
| Spain | 163 | 113 | 152 | 251 | 274 | 159 | 300 | 333 | 63 | 93 | 144 | 152 | 375 | 166 | 250 | 307 |
| Italy | 1091 | 1112 | 1292 | 2111 | 2484 | 2821 | 2998 | 3156 | 790 | 858 | 863 | 934 | 1002 | 1222 | 1436 | 1325 |
| Nether-lands | 399 | 300 | 903 | 1027 | 1019 | 1505 | 1224 | 1612 | 166 | 162 | 243 | 361 | 458 | 359 | 489 | 276 |
| Norway | 72 | 59 | 87 | 49 | 52 | 93 | 80 | 129 | 52 | 66 | 51 | 79 | 96 | 72 | 102 | 80 |
| Germany | 1343 | 1498 | 2218 | 3096 | 3635 | 4065 | 4067 | 4536 | 1780 | 1969 | 2485 | 2989 | 2703 | 2913 | 3360 | 3376 |
| France | 820 | 840 | 1426 | 2242 | 2525 | 2228 | 2422 | 2447 | 904 | 947 | 1198 | 1510 | 1665 | 1268 | 1728 | 1777 |
| Switzer-land | 153 | 286 | 314 | 445 | 331 | 533 | 510 | 541 | 222 | 225 | 276 | 403 | 497 | 411 | 345 | 410 |
| Sweden | 277 | 312 | 554 | 355 | 291 | 409 | 652 | 563 | 228 | 190 | 223 | 322 | 347 | 345 | 255 | 272 |
| Japan | 853 | 736 | 944 | 950 | 817 | 757 | 825 | 840 | 1444 | 1583 | 1661 | 1773 | 2213 | 2926 | 2176 | 2054 |
| SUBTOTAL | 7350 | 7312 | 10528 | 13568 | 14610 | 15988 | 16683 | 18469 | 6675 | 7459 | 8781 | 10464 | 11516 | 11771 | 12429 | 12358 |
| Sub-Balance of Trade | | | | | | | | | +625 | -147 | +1747 | +3104 | +3094 | +4217 | +4254 | +6111 |
| Argentina | 13 | 22 | 25 | 30 | 31 | 28 | 26 | 26 | 193 | 309 | 289 | 1162 | 2372 | 1265 | 1300 | 1104 |
| Brazil | 104 | 34 | 20 | 22 | 16 | 180 | 107 | 95 | 210 | 130 | 160 | 253 | 534 | 416 | 591 | 373 |
| U.S.A. | 272 | 253 | 350 | 151 | 183 | 155 | 331 | 306 | 1262 | 1599 | 2487 | 1352 | 1662 | 2072 | 1570 | 2829 |
| Canada | 49 | 29 | 32 | 30 | 50 | 21 | 24 | 19 | 368 | 359 | 453 | 972 | 1377 | 1378 | 1278 | 1403 |
| Australia | 4 | 5 | 5 | 6 | 11 | 14 | 12 | 22 | 325 | 275 | 393 | 775 | 538 | 510 | 404 | 481 |
| New Zealand | 3 | 3 | 3 | 3 | 7 | 8 | 6 | 8 | 119 | 42 | 114 | 167 | 168 | 230 | 179 | 49 |
| TOTAL | 7795 | 7658 | 10963 | 13810 | 14908 | 16394 | 17189 | 18945 | 19152 | 10173 | 12677 | 15145 | 18167 | 17642 | 17751 | 18597 |
| Balance of Trade | | | | | | | | | -1357 | -2505 | -1714 | -1335 | -3259 | -1248 | -562 | +348 |